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CableVision

FRONT LINE

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In an apparent effort to comply with Canadian law, Rogers puts its more than 500,000 subscribers on the block, as do the Bass Brothers.

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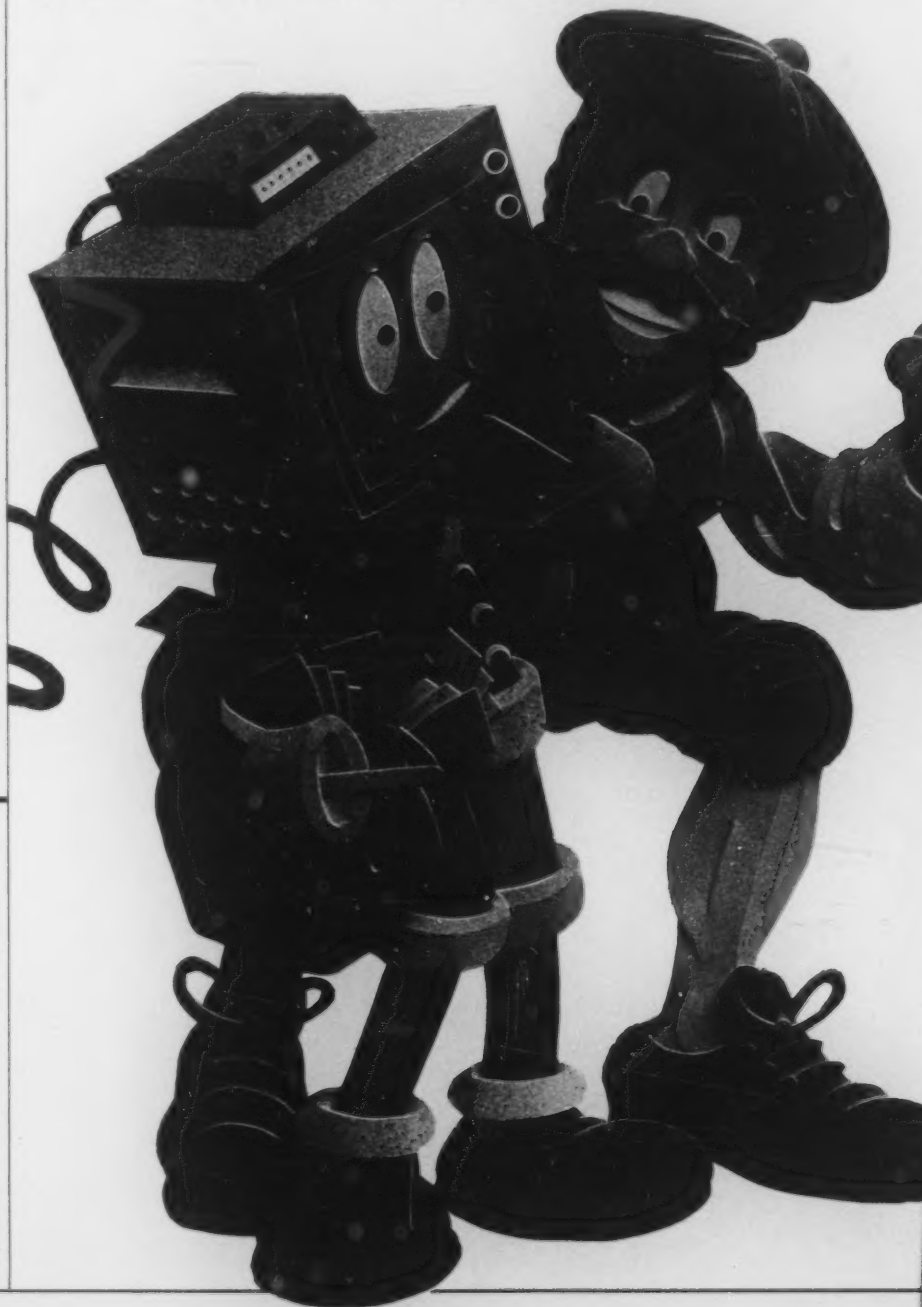
Landing a lead role in Hollywood 92
So here cable is in Hollywood, both literally and figuratively. Lots of studio types are walking the convention floor and others are speaking on panels. There's much talk of program deal-making. But behind the scenes, the creative community's attitude toward cable hasn't changed much. Producers say turning out product for cable is on their list, but pretty far down. An examination of this mindset and the financials that drive it shows why.

Learning to live together 98
After two bitter years of rhetorical warfare, cable and Hollywood seem finally to be making peace. But so much purple prose has been lobbed from one camp to the other that it's hard to remember how it all got started, or how it's being ended and why. Return with us now to those thrilling days of white papers.



PROGRAMMING

Coming to blows in boxing 52
The fight game, once a staple of broadcast television, fell into disfavor some years ago. But now boxing is back, thanks to cable, which, as one executive says, has "put the tuxedo back" on the sport. HBO is out front, and many of the basics are staging matches.

This was the month that was 54
National Cable Month has come and gone, so it's time to ask, "How did it go?" We sit down with the leaders of the second annual event to assess what worked, what didn't, and what's ahead for next year.

Learning to love that gold 76
It's about as orderly and neatly arranged as, say, Filene's basement on the morning after Christmas, but the cable home shopping industry is steaming ahead, generating $100 million so far in commissions to operators. Things remain somewhat in turmoil, but teleretailing seems firmly entrenched.

MANAGEMENT

Very, very Viacom 114
The failed leveraged management buyout behind it and with an influx of former HBO and Coke executives now helping run it, Viacom seems poised to move onto higher ground. Chairman Sumner Redstone and President Frank Biondi share their strategies in a candid discussion.

A talk with John Goddard 122
Speaking of Viacom, the head of its cable unit, John W. Goddard, is poised to assume the chairmanship of the NCTA, so we sat down with him to learn his priorities and the style of leadership he will bring to the industry.

LAW AND REGULATION

Reprising Reagan 130
It seems like only yesterday that Ronald Reagan and the conservative movement swept into the White House. During his two terms the communications industries have undergone radical change and growth, fueled by deregulation and a hands-off attitude toward consolidation and integration. The Gipper is going, but he leaves a long shadow. We take a look back and try to sum it all up.

MEDIA WATCH

Present tech, future TV 106
What we know of television is rapidly changing, driven by advances in electronics, fiber optics and microcircuit. Much of it will be on display this week at the National Cable Television Association convention, and more is coming out of the labs.

BUSINESS AND FINANCE

The Readers' Choice Awards 138
The ballots have all been returned and counted, and our subscribers rate Continental Cablevision the top operating company in the business and TCI President John Malone as cable's most respected executive. We talk with Malone and Continental Chairman Amos Hostetter to learn how they have achieved prominence and the respect of their peers.

Making training pay 148
One reason Continental came out on top of our reader survey can be traced to the company's commitment to employee training. The MSO operates an innovative school in New Hampshire for CSRs and technicians which has helped boost efficiency and morale.

The economics of cable in Denver 162
Everyone calls Denver the Cable Capitol and says that the industry contributes greatly to the local economy. But is the impact all that great? Could the Mile High city get along without the MSOs there? We find cable in fact is propping up a sagging economy.

BETWEEN THE LINES

Welcome to Hollywood; cable's in the movies now

Hooray for Hollywood... and Los Angeles... and Ronald Reagan, who both invented and was invented by the entertainment world and its capital, and who went forth to put a new stamp on everything that was and is television.

The symmetry of beginnings and endings, of eras passing and new ones afoot, is everywhere visable as the cable industry makes its pilgramage to Hollywood this week. The cable industry was at the apex of its construction boom when it last assembled here seven years ago, and it returns—having created the wired nation—as an industry in full flower, a medium that very much is its own message.

Much of what you will read in this issue of *CableVision* concerns itself with these signposts of change, of new currents in national communications policy, industry technology, company hierarchy.

Without a doubt the greatest force that has driven the cable industry to the comfortable spot it occupies today can be traced to one man, Ronald Reagan. He was new to the White House in 1981 when the industry last gathered in Los Angeles, and had just installed a relatively unknown lawyer, Mark Fowler, at the Federal Communications Commission. Reagan of course went on to impress himself in history as "The Great Communicator," and at his bidding Fowler became Mad Mark, "The Great Deregulator." By ever-increasing degrees unshackled from government control, cable and other media were to undergo radical growth and transformation. Whether or not you agree with his politics, Reagan must be given his due, and we do that in a retrospective by Managing Editor John Wolfe, beginning on page 130. Wolfe also takes a look ahead, sizing up where the leading presidential candidates stand on communications policy issues. Is Bush a deregulator? Would Dukakis and the Democrats undo the Cable Act? Those questions must mostly go unanswered for now, because neither has much of a track record in this area. But interestingly, Wolfe reveals that Bush may have been instrumental in putting Fowler in charge of the media cookie jar.

And not so many years ago the biggest draws at cable conventions were the exhibit booths of equipment vendors, who busily were expanding the capacities of that foam-filled wonder known as coax. In recent times, though, it was the programmers who drew all the traffic and attention. But we sense that this convention may witness renewed interest in all things technical, and for good reason. Beginning on page 106, Associate Editor Roger Brown takes us on an eye-opening tour of the convention floor, while Contributing Editor Fred Dawson ushers us into the labs to demonstrate that watershed events are rapidly unfolding that will forever alter how television pictures are transmitted and viewed.

Finally, there's Viacom. One need not ask, as Butch Cassidy inquired of the Sundance Kid, "Who are those guys?" Mostly they're the household names who used to help run HBO. New York Bureau Chief Virginia Munger Kahn, beginning on page 114, takes us inside Viacom International to talk with Sumner Redstone and Frank Biondi to learn how things stand and where the company, darkened by a failed leveraged buyout, is heading.

The naked fact that this convention is being held in Hollywood's back yard is itself a harbinger of change. For two years now cable and Hollywood have bickered like the unhappily married couple they are. But that, too, is changing. The tentative, somewhat clumsy, efforts to patch up relations and do business together signal a looming change in how, and under what terms, cable acquires product from the creative community. Both sides are fresh on that learning curve, and it should make interesting reading determining how it will all shake out.

—Steve Tuttle
Editor and Associate Publisher

CableVision

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ABP BPA

Boxing regains its glory on cable

The money is good and the 'stories' attractive; basics become farm teams to the pays

By Wayne Friedman

To the home cable viewer, it might seem a major error in judgment. In perhaps the biggest fight of his career, heavyweight champion Mike Tyson will mix it up with former champ Michael Spinks next month. But HBO, which has been instrumental in pushing along Tyson's career, won't be airing the fight live. Instead, the pay service will air it on a tape-delay basis, perhaps upsetting loyal HBO and Tyson cable fans. But on closer inspection, HBO has sound monetary reasons for the tape delay.

At a potential $75 million dollars, one HBO spokesman jokes that "no one on staff was willing to take a pay cut" in order to gain live rights to the fight. Those will go instead to closed-circuit and pay-per-view television. The same thing happened when Sugar Ray Leonard beat Marvelous Marvin Hagler for the middleweight title—no live pay television. Currently, HBO feels comfortable spending $2 million to $4 million for bouts with big names—still top dollar compared to other television windows and networks. Such is the television economic equation that exists in boxing today.

In years past, the broadcast networks were in HBO's, and to a lesser extent, Showtime's, shoes, spending a few million on fights. Those free-spending days came to an end when advertisers and network executives became gunshy after several fights ended in the early rounds, costing the networks a plethora of makegoods and advertisers the value of their original investment.

Now, the broadcast networks do a handful of fights, staging 10 to 12 matches a year for $150,000 to $200,000 each. Occasionally when a match comes along that proves exciting, such as when lightweights Vinnie Pazienza and Greg Haugen came to blows for the IBF championship on NBC last June, its rematch will command a higher value. That's why ABC bid up the price for this past February's Haugen-Pazienza bout, spending around $375,000.

These days few advertisers, except for beer companies, specifically ask to buy boxing events. That's because boxing is usually incorporated into the sports anthology weekend programs such as NBC's *SportsWorld*, CBS's *SportsSaturday* or *SportsSunday, and ABC's Wide World of Sports*.

The network fight still has some basic problems, says Kevin Monaghan, boxing coordinator for NBC Sports, because for many advertisers it still has the distinction of being a tainted sport—too violent and too sleazy. But, Monaghan says, with NBC's new vice president of program planning and development, Jon Miller, the network is making gains in bringing back advertisers to boxing.

This retrenchment by the networks has left HBO as a dominant mover in televising boxing events over the past few years, say some experts. "HBO has put the tuxedo back on boxing," says Jay Larkin, director of original programming, special projects for Showtime. With its formation of the heavyweight unification series in the last couple of years, and now with its $27 million, seven fight commitment to heavyweight champion Mike Tyson, the pay service is squarely in front of the boxing world in televising big-name events.

At these financial heights, it would seem difficult for HBO to justify such programming purchases. But Seth Abraham, senior vice president of programming operations and sports for HBO, says there is substantial return on investment. Not only are there more HBO subscribers but those new subscribers tend to stay on longer. And, with HBO's existing base of subscribers, "boxing gives us tremendous appeal," he says. For example, HBO posted a Nielsen 34 rating/51 share for last January's Larry Holmes-Mike Tyson championship bout. Tyson's fights average a 21 rating/33 share, much larger than other HBO programming categories.

In HBO's "satisfaction" rankings, the Tyson fights ring up a 72 score, while its closest competitor, HBO original movies, average a 70 score; theatrical movies come in at 56. While short on specific new subscriber data for boxing, Abraham says it's not uncommon for some cable operators to record tremendous installs before a major bout. In one instance, he said, a system witnessed a voluminous 350 installs right before the Holmes-Tyson fight. HBO also believes that the presence of boxing adds to the programming mix in attracting new subscribers, even by word of mouth.

Still, can all this justify spending approximately $3.9 million for Tyson's next seven fights? Of course, say HBO executives, especially when you consider that HBO already spends in the range of $4 million to $5 million on original movies—films which don't score as well as boxing in ratings or its own satisfaction scores.

Boxing is thriving elsewhere on cable, but not at the lofty dollar levels HBO pays. Many lesser known fighters

See **Boxing**, *page 52*

Boxing by the numbers

1988

	Avg. Rating	# TV Homes (in mn)	Events
NBC	3.3	2.9	4
ABC	5.3	4.7	5
CBS	4.9	4.3	2
ESPN	2.1	1.0	12
USA	2.4	1.0	1

1987

	Avg. Rating	# TV Homes (in mn)	Events
NBC	4.6	4.0	12
ABC	4.4	3.8	15
CBS	3.9	3.4	10
ESPN	1.9	0.8	50
USA	1.3	0.5	39

All ratings are from Nielsen Television Index, except for ESPN and USA, which are from Nielsen Home Video Index.

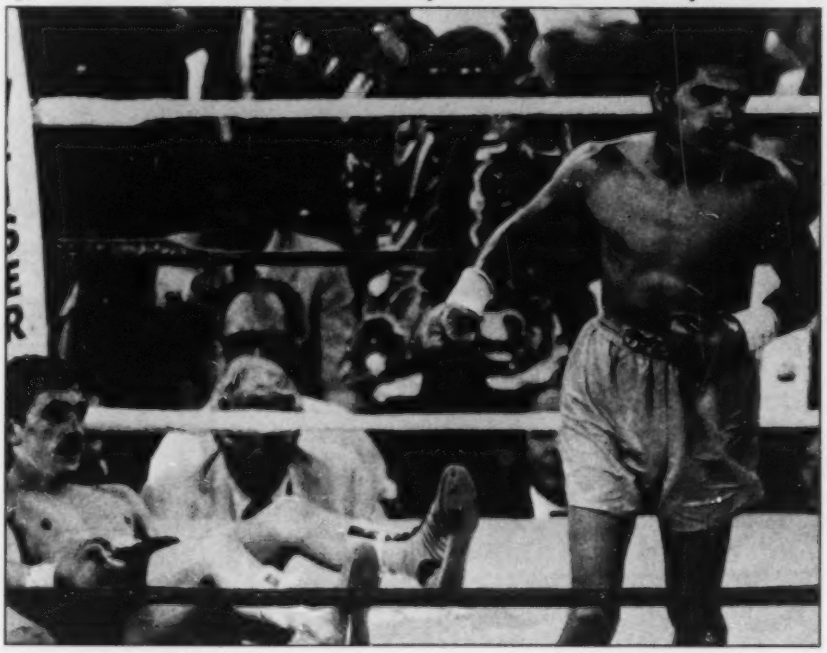
Boxing, *from page 48*

are receiving exposure on ESPN, MSG Network, FNN:Score and USA Network. Typically, these television venues pay modest rights fees of around $50,000 to $100,000 a fight, according to sources. These outlets are where fighters can build a name before moving on to the broadcast networks or the pay channels. ESPN, for instance, had early Mike Tyson fights, as well as top heavyweight contender James "Bonecrusher" Smith, junior lightweight champion Rocky Lockridge, and lightweights Bobby Czyz and Ray "Boom Boom" Mancini.

While FNN:Score claims the dollars are lower, it has been able to capture 20 championship title matches and 15 world title fights last year, 75 "fight cards" in all. Arnie Rosenthal, executive vice president of FNN and general manager of FNN: Score, says the economics work because a majority of its fights come from Europe, where promoters are looking for supplemental American television income. In addition, 70 percent of Score's fights are Monday-through Friday, where almost every one else, except ESPN and USA, won't air boxing. Score also doesn't mind scheduling fights on short notice. That's a plus against ESPN and USA which aren't likely to preempt regularly scheduled programming as quickly. As a result, Score has been able to pull in some major names like welterweight champion Lloyd Honeyghan, and ex-featherweight champion Barry McGuigan. Still, Score does its share of no-name fighters, and even old-name fighters. It has given exposure to former kings of the ring Roberto Duran and Aaron Pryor. With Duran, in particular, Rosenthal says, Score has helped in rebuilding his television career.

In general, every televising venue wants the bigger name and bigger talent, which almost always leads to bigger dollars. That's true for HBO with Tyson and Showtime with its main featured fighter, Evander Holyfield, the WBC cruiserweight champion. Says Showtime's Larkin: "We spend significantly more than the networks" because of the marquee names. Larkin, who also buys for Showtime's pay-per-view service, Viewer's Choice, and will air four-time champion Thomas "Hit Man" Hearns vs. Iran "The Blade" Barkley June 6.

Seth Abraham



Barry McGuigan falls to Stevie Cruz. The economic direction for FNN: Score leads to Europe.

With the pay-per-view services and pay television becoming the big leagues with the name fighters, the broadcast networks and some basic cable outlets act more like the farm teams that often help develop those names. It starts on finding interesting product. "I look for intriguing story lines and evenly-matched fights," says NBC's Monaghan. To do end NBC will invest in the "story" by booking fighters at least three or four times.

For any television outlet wanting to enter boxing as a programming venue, there is no shortage of fights. Bob Gutkowski, executive vice president of MSG Communications, says "it's a buyers market." MSG will stage around 18 fights from the Felt Forum this year. NBC's Monaghan says that "For every one I buy, I turn away 60.

Some cable networks are taking advantage of these market conditions. USA Network, which had been airing 30 mostly taped boxing matches, will be doing 20 live bouts this year, starting this month with ex-champion Roberto Duran versus Paul Thorn. Sources say USA is laying out $75,000 for this fight; other bouts however, will cost the cable network significantly less.

Like NBC, USA Network also is working on fighter "stories." Later this year it will showcase heavyweight Greg Bodzianowski, a boxer with an artificial leg, who the network has had on before.

Perhaps the next step for television networks is to try to get closer to owning the product. To some extent HBO has that with Tyson and Showtime with Holyfield. But MSG Network has taken that one step further. It's promoting a stable of fighters (junior welterweight champion Buddy McGuirk is one) for other cable and television outlets, such as NBC and ABC. MSG's Gutkowski says this is a young, profitable business. ESPN is also putting a toe in the promotional waters by co-promoting with Bob Arum the upcoming Hearns-Barkley pay-per-view fight.

Just like with any other television product, distributors try to get close to the producer, the talent. With this strategy, says Gutkowski, "you can control your own destiny." ■

PROGRAMMING/Pay-Per-View Supply Chart

May

Adventures in Babysitting (5/12) — Source: Touchstone
MPAA Rating: PG13 Running Time: 99.06 mins.
Cast: Elisabeth Shue, Keith Coogan, Anthony Rapp.

The Chipmunk Adventure (5/22) — Source: Samuel Goldwyn
MPAA Rating: G Running Time: 76 mins.
Cast: Animated.

Date With An Angel (5/20) — Source: HBO Enterprises
MPAA Rating: PG Running Time: 105 mins.
Cast: Michael Knight, Phoebe Cates, Emmanuel Beart.

Fatal Beauty (5/20) — Source: MGM/UA
MPAA Rating: R Running Time: 104 mins.
Cast: Whoopi Goldberg, Sam Elliot, Ruben Blades.

Flowers In The Attic (5/16) — Source: HBO Enterprises
MPAA Rating: PG13 Running Time: 95 mins.
Cast: Victoria Tennant, Kristy Swanson, Louise Fletcher.

Hamburger Hill (5/1) — Source: Paramount
MPAA Rating: R Running Time: 109 mins.
Cast: Anthony Barrile, Michael Patrick Boltman, Don Cheadle.

Heart (5/1) — Source: HBO Enterprises
MPAA Rating: R Running Time: 90 mins.
Cast: Brad Davis, Jesse Doran, Francis Fisher.

Hiding Out (5/6) — Source: HBO Enterprises
MPAA Rating: PG13 Running Time: 145 mins.
Cast: Jon Cryer, Annabeth Gish.

Hotel Colonial (5/18) — Source: HBO Enterprises
MPAA Rating: R Running Time: 104 mins.
Cast: Robert Duvall, John Savage, Racheal Ward.

Housekeeping (5/26) — Source: Columbia
MPAA Rating: PG Running Time: 117 mins.
Cast: Christine Lahti, Sarah Walker, Andrea Berchfield.

Innerspace (5/4) — Source: Warner Bros.
MPAA Rating: PG Running Time: 120 mins.
Cast: Martin Short, Dennis Quaid, Meg Ryan.

Less Than Zero (5/5) — Source: 20th Century-Fox
MPAA Rating: R Running Time: 100 mins.
Cast: Andrew McCarthy, Jami Gurtz, Robert Downey Jr.

My Life As A Dog (5/1) — Source: Skouras
MPAA Rating: Unrated Running Time: 101 mins.
Cast: Anton Glanzelicis.

Return of the Living Dead Part II (5/26) — Source: Lorimar
MPAA Rating: R Running Time: 89 mins.
Cast: James Karen, Thom Mathews, Dana Ashbrook.

Russkies (5/15) — Source: New Century-Vista
MPAA Rating: PG Running Time: 98.01 mins.
Cast: Whip Hubley, Leaf Phoenix, Peter Billingsley.

Sicilian (5/5) — Source: 20th Century-Fox
MPAA Rating: R Running Time: 115 mins.
Cast: Christopher Lambert, Terrence Stamp, Barbara Sukowa.

Transmutations (5/13) — Source: Vestron
MPAA Rating: R Running Time: 103 mins.
Cast: Denholm Elliot, Stephen Berkoff.

The UnTouchables (5/19) — Source: Paramount
MPAA Rating: R Running Time: 119 mins.
Cast: Kevin Costner, Robert DeNiro, Sean Connery.

Women's Club (5/13) — Source: Vestron
MPAA Rating: R Running Time: 90 mins.
Cast: Michael Pare, Maude Adams, Eddie Velez.

June

Apprentice To Murder (6/16) — Source: HBO Enterprises
MPAA Rating: PG13 Running Time: 95 mins.
Cast: Donald Sutherland, Chad Lowe.

Baby Boom (6/16) — Source: MGM/UA
MPAA Rating: PG Running Time: 110 mins.
Cast: Diane Keaton, Harold Ramis, Sam Wanamaker.

High Tide (6/18) — Source: HBO Enterprises
MPAA Rating: PG13 Running Time: 104 mins.
Cast: Judy Davis, Jan Adale.

House of Games (6/1) — Source: Orion
MPAA Rating: R Running Time: 102 mins.
Cast: Lindsey Crouse, Joseph Mantegna.

The Killing Time (6/16) — Source: HBO Enterprises
MPAA Rating: R Running Time: 95 mins.
Cast: Beau Bridges, Keifer Sutherland.

Like Father Like Son (6/23) — Source: Tri-Star
MPAA Rating: PG13 Running Time: 97 mins.
Cast: Kirk Cameron, Dudley Moore, Margaret Cohn.

A Prayer For The Dying (6/1) — Source: Samuel Goldwyn
MPAA Rating: R Running Time: 107 mins.
Cast: Mickey Rourke, Allan Bates, Bob Hoskins.

The Princess Bride (6/1) — Source: 20th Century-Fox
MPAA Rating: PG Running Time: 98 mins.
Cast: Carey Elwes, Robin Wright, Carol Kane, Billy Crystal.

The Principle (6/1) — Source: Tri-Star
MPAA Rating: R Running Time: 108.05 mins.
Cast: Louis Gossett Jr., James Belushi.

Positive I.D. (6/23) — Source: Universal
MPAA Rating: R Running Time: 96 mins.
Cast: Stephanie Rascoe, John Davies, Steve Fromholz.

Running Man (6/24) — Source: HBO Enterprises
MPAA Rating: R Running Time: 100 mins.
Cast: Arnold Schwarzenegger, Richard Dawson.

Steel Dawn (6/11) — Source: Vestron
MPAA Rating: R Running Time: 101 mins.
Cast: Patrick Swayze.

Taffin (6/28) — Source: MGM/UA
MPAA Rating: R Running Time: 96 mins.
Cast: Pierce Brosnan, Ray McAnally, Alison Doody.

The Witches of Eastwick (6/8) — Source: Warner Bros.
MPAA Rating: R Running Time: N/A mins.
Cast: Jack Nicholson, Cher, Susan Sarandon.

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy III, tr.5	VideoCipher II	Movies, how-to's, special events. 24 hours per day, approx. 50 titles per month	Available in systems serving 1,000,000 addressable subscribers)
Home Premiere Television	December 4, 1987	Galaxy III, tr. 16	VideoCipher II	First-run movies, special events.	Available in systems serving 1,000,000 addressable subscribers)
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	Available in systems serving 1,000,000 addressable subscribers
Request Television	November 27, 1985	Galaxy I, tr. 12	VideoCipher II	Min. of four major motion pictures per week over 14 day cycle, special events	Available in systems serving 3.6 million subs. (2.5 million addressable).
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Channels I & II. First-run movies, special events	Available in systems serving over 3 million subs.
Zap! Movies	June 5, 1986	Spacenet II, tr.1,3,11,23	VideoCipher II	Channel 1: 2 movies per week, the newest and top-selling. Channel 2: Cult favorites, and top of the charts video store sellers. Channel 3: Additional plays of movies on 1 & 2 (frequency channel).	Available in systems serving 160,000 subs.(60,000 addressable).

'In the last seven or eight years you'd have to almost be brain dead not to look good in the cable business.'

—Dr. John Malone

CV: **You've been voted the most admired executive in the business. What does this mean for you?**
Malone: I think people must have filled out their ballots wrong.
CV: **Either that or TCI has a lot of subscriptions.**
Malone: There you go.
CV: **No, come on, give me a real answer.**
Malone: I demand a recount.
CV: When I was talking to Bud Hostetter about this, he said it's just a matter of longevity. You stay around long enough and they just can't forget your name.
Malone: I think that's part of it. Name recognition is a factor. It just proves it doesn't matter what they write about you, as long as they spell your name right.

CV: **Aren't you pleased that your compatriots feel this way about you?**
Malone: Sure, it's always an honor, since most of the time I get called Darth Vader or a pernicious liar.
CV: **Why do you think your fellow cable operators consider you the most respected? What have you been doing to deserve this?**
Malone: I think it's just the fact that the company is the biggest and I'm probably the most visible because we're the biggest. In the last seven or eight years you'd have to almost be brain dead not to look good in the cable business.
CV: **But there have been pitfalls along the way, such as Jefferson City.**
Malone: We don't do everything right. When you look back at this industry, the only thing that anybody's done wrong is they didn't buy things they had an opportunity to buy. But that's history.

See **Malone**, *page 140*

Readers' Choice Awards

Malone most respected, Continental most admired company in magazine poll

By Virginia Munger Kahn

Continental Cablevision long has enjoyed a reputation as one of the best managed, most conscientious companies in the cable business. Now a *CableVision* reader survey confirms that perception is no fluke. Within the cable community represented by our readers, Continental is the cable company most respected among the top 25 multiple system operators.

At the same time, readers selected Tele-Communications Inc. President and Chief Executive Officer John Malone as the most admired executive in the industry. Malone has grown TCI to become the largest cable company in the nation through shrewd financial and acquisition strategies. The consumer press may enjoy depicting cable's most visible player as "Darth Vadar," but Malone's compatriots obviously respect what he does for his company and the business in general.

The survey asked readers to select the MSO that best exemplified five characteristics: quality of management, quality of service, financial savvy, community relations and quality of work environment. Continental was rated No. 1 one in four of the five categories, including best management, work environment, service and community relations. Even though Continental is a private company and does not release financial figures, it was rated the third most admired MSO for financial savvy. In addition, Amos Hostetter, Continental's chairman and CEO, was rated the industry's second most admired executive.

In the MSO contest, American Television and Communications came in a strong second, with a concentration on management and service category ratings. The company ranked just behind Continental in community relations, quality of service and quality of management. The company was the third most admired MSO for quality of work environment. Both Continental and ATC spend considerable time and resources stressing service issues and management development.

TCI was ranked third among the top 25 MSOs, although it received an overwhelming 35 percent of the vote as the most financially astute company in the business. No other

See **Awards**, *page 140*

Most respected cable executives

Rank/Company	Named on % of ballots
1. John Malone, Tele-Communications	15.5%
2. Amos Hostetter, Continental	12.9%
3. Bill Daniels, Daniels & Assoc.	7.8%
4. Trygue Myhren, American TV & Comm.	6.1%
5. Chuck Dolan, Cablevision Systems	2.9%

Notes: More than 60 executives received at least one vote.

Most admired cable companies

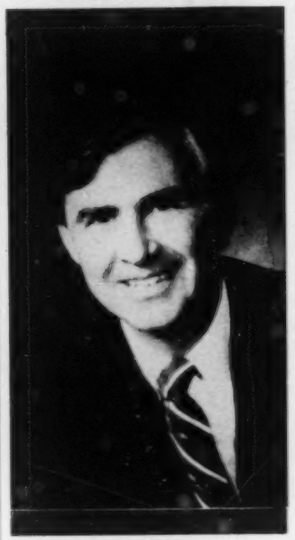
Rank	Quality of management	Quality of service	Financial savvy	Community relations	Quality of work environment	Total points
1. Continental	1	1	3	1	1	23
2. American TV & Comm.	2	2	4	2	3	17
3. Tele-Communications	3	3 (tie)	1		5	12
4. American Cablesystems	5	3 (tie)		3 (tie)	4	9
5. Comcast Corp.	4		2			6
6. Daniels & Assoc.		5			2	5
No Opinion		3 (tie)		5		4

Notes: Total number of ballot votes in each category determined rankings.
No. 1 ranking assigned 5 points; No. 2, 4 points; No. 3 points, etc.

'I once described my management philosophy as feeling that it's more important to recruit well than to manage well.'

—Amos Hostetter

CV: **Tell me what it means to you for Continental to be rated No. 1, the most admired company in the cable business?**
Hostetter: I think it's just terrific. It puts the recognition where it ought to be, which is on the contribution of the entire team, rather than singling out either systems or individuals. We work very hard at developing a sense of teamwork around here and I couldn't be happier that the readership judged us successful at that.



CV: **The natural tendency when people think they are No. 1 is to slack off. How do you maintain this position?**
Hostetter: I once described my management philosophy as feeling that it's more important to recruit well than to manage well. I think in a nutshell that's what Continental has done well, and that's what we would try to continue to do—identify and attract able, high-energy people who share the values in which the company believes, and give them a great deal of authority and independence. In my judgment you really get the best out of people when you make them understand that their fate is in their own hands, that the range of their decision-making is almost limitless and they do control their own destiny.
CV: **Is that how you attract good people? It's not just a matter of money?**
Hostetter: I think the non-monetary aspects of anyone's work environment is at least as important, and perhaps more important, than the monetary aspects. People need to feel that they're valued and that their opinions are respected and that they can, in fact, make a difference in the way things are being done. Our objectives have been to perhaps shoot a little higher in terms of the quality of the people we've sought, and then get the most from them by giving them perhaps too much rather than too little responsibility.
CV: **How important is it for Continental to keep**

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Malone, *from page 138*

CV: **Obviously you haven't done that because you've bought everything...no, I'm being facetious, you haven't bought everything in sight.**
Malone: We're just like everybody else, we look at the deals that got away and kick ourselves for having underestimated the future of the industry.
CV: **Because you are the executive of the largest MSO, and you are viewed as the most respected executive, do you feel you have a responsibility to provide the industry with leadership on certain problems that it's facing?**
Malone: I could basically try. It's been a few years now since we've kind of regarded our own fate as so closely linked with that of the industry at large that we do tend to take an industry-wide view. Now I guess, to paraphrase, "what's good for General Motors is good for the U.S.," what's good for TCI is probably good for the cable industry and vice versa. That's a little facetious, but generally true since our cable systems tend to mirror, pretty much, the average systems out there, the average mix. We run the gamut from very small systems in rural areas to large metropolitan areas. We're sort of a cross-section of the industry. Our employees have basically been some of the longest longevity people in the industry. We're basically old cable people. I guess leadership is doing and saying what they think ought to be done and said. Sometimes you have to be tough and, generally speaking, when we've been tough ... it has generally benefited the industry.
CV: **I just can't let that comment go by that "what's good for TCI is good for the industry."**
Malone: And vice versa, what's good for the industry is good for TCI.
CV: **But you have run into substantial problems with people saying you're too big, that you bully your way around.**
Malone: Not usually cable operators. That's usually program suppliers that say that. And they're usually the ones that are trying to raise everybody's rates through the roof for no good cause. I think my No. 1 job running TCI is to be a purchasing agent for my subscribers. Make sure that we get value now and in the future for what we pay for. So, from that point of view, sure I'm pretty tough on that. I don't think people should make ridiculous profits and then turn around and sell their programming business, and I've been outspoken on that. That doesn't make me popular. If they need the money to do a good job of programming, that's fine, and I'm very supportive of that. But if they need the money in order to make a big capital gain and a windfall profit, I tend to be very hostile to that.
CV: **It seems that the biggest image problem you've faced is the programming discounts you've been able to get for TCI, compared to small MSOs. What they contend is that by being able to negotiate such great deals for yourselves, you make it a lot more expensive for everybody else.**
Malone: That's absurd. First of all, the discounts we get are not that large. Second, most of the discounts that we have exist because we were very early in supporting these services and have put a lot of money into them early. As a result, we got commitments that extended out so that while these rates are being raised to other people, they weren't being raised as rapidly to us. When you look at the programming area, mostly what I would say about "what's

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category or MSO received such a high percentage of votes, with most top choices eliciting between 12 and 18 percent of the votes.

In what may say a lot about the industry, "no opinion" tied with TCI and American Cablesystems for third place in quality of service. Admittedly, readers may not be familiar with the quality of customer service in systems other than their own operators, but the lack of opinion on service indicates disinterest in the issue.

Interestingly, American Cablesystems, a company that founder Steven Dodge openly admitted was modeled on Continental Cablevision, was rated the fourth most admired company. The fact that Continental acquired American earlier this year did not seem to deter voters.

Comcast Corp. demonstrated its financial and executive strength by ranking as the second most admired company for financial savvy and the fourth most admired MSO for management quality. Comcast long has been one of the most consistent financial performers and until its Group W acquisition in 1986 had posted earnings gains in more than a dozen consecutive quarters.

Daniels and Associates, which like American also sold its cable operations this year, ranked as the sixth most admired MSO. The company's work environment was judged the second best and its financial astuteness rated it the fifth most admired company. Bill Daniels, the chairman of the company, often has been called the "father of cable television" and he helped build many MSOs through his investment banking and brokerage activities.

Financial savvy clearly is behind the vote for Malone as the most respected executive in the business. Called "brilliant" and a great strategic thinker by industry executives and observers alike, Malone probably is the best known cable executive outside of Ted Turner. Last year, in fact, Malone led the cable operator effort to bail out Turner and his moves into the programming business presaged a wave of similar investments in other services.

At the root of Malone's reputation is the financial success and power of TCI. With more than $1 billion in revenues last year, TCI has grown into by far the largest MSO. The company has accomplished this through innovative acquisition strategies and aggressive financing, the formulation and articulation of which can be credited to Malone. TCI perennially shows up on Paul Kagan's list of most active acquirers each year, but it often pays among the lowest per subscriber prices for those acquisitions.

"He seems smarter (than other operators) and he's tough," said Ron Baron, president of Baron Capital Management, referring to Malone. "He's a better talker... and he helps people understand" the business, he said. Steve Effros, president of the Community Antenna Television Association, put it more forcefully. "He is an awesome personality and intellect."

Yet Effros, as many others, distinguishes TCI from companies like Continental and ATC. Contending that the industry is characterized by two differing philosophies—one that sees the business as a communications medium, the other that sees it as a financial instrument—Effros implies that those who see the business as a medium often pay more attention to their customers. TCI frequently is characterized as a financially-driven company, even though the company boasts it has the lowest rates in the industry. On the other hand ATC and Continental are perceived as more operations-oriented.

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Hostetter, the second-place winner in our most respected executive poll, embodies that diversity. Saying that it is increasingly important that the industry speak with a number of voices, Hostetter in the past has criticized other cable companies for their aggressive pursuit of First Amendment rights and he has often staked out a position that is at odds with the aggressive, tough image conveyed by TCI and Malone.

The product of Hostetter's efforts is Continental's reputation as the premiere provider of cable television service and one of the best places to work within the industry. Consistent with his personality and management style, Hostetter denies responsibility for that image.

"No one individual can create what this company has become," he says, noting that Continental now employs more than 5,000 people. Yet Hostetter has set an example of commitment through his active participation in the Walter Kaitz Foundation and the National Cable Television Association.

In a brochure celebrating its 25th year in business, Continental touts its commitment to "quality, integrity and long-term results." Its stress on service to the consumer and its employees is evident in the number of awards it has won from the Cable Television Administration and Marketing Society—at least seven in the past four years, and along with American Cablesystems, the company is one of the most heavily represented at CTAM. The company "is a major part" of the organization, said CTAM President Margaret Durborow.

The recognition comes even from regulatory agencies. "They are generally quite responsive to consumers," said Penny Wells, executive director of the Massachusetts Cable Television Commission, noting that the company has a strong commitment to local programming. "Overall, they have a good reputation," she said. Continental is the largest operator in the state, serving 33 percent of subscribers there.

Effros credits the company's superior reputation to its efforts to communicate to its customers and employees. That effort to alert and inform subscribers

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Acquired
By

MULTIVISION CABLE TV CORP.

Cable Television System Serving
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Everetts, Bear Grass and Martin
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The Buyer was represented by the undersigned

CHARLES GREENE ASSOCIATES

Cable Television Brokerage

1117 Perimeter Center West
Suite E-319 Atlanta, Georgia 30338
(404) 668-9577

Hostetter, *from page 139*

growing itself in order to provide these people with continuing, challenging opportunities?

Hostetter: Very. We have, over the last 15 years, recorded a very consistent 25 to 30 percent compound rate of growth, and I'm not sure in any year we could have managed 50 percent, but on the other hand, we'd be underperforming if we were only doing 5 or 10 percent. So we work very hard at having a planned rate of growth that is fast enough to provide opportunities for the emerging new leaders in the company, and yet controlled enough that we can successfully manage it and continue to provide quality customer service.

CV: **The biggest acquisition you've done to date is the American acquisition. How are you going to keep your high-quality customer service, your good work environment and at the same time integrate all these new people into the company?**

Hostetter: American is and was a company that was very similar to Continental. We shared many of the same values, we approached the issues of employee relations and community relations very much in the same mind set. So that is perhaps the easiest company in the industry for us to assimilate. It came with a very good record of its own, and most important with an outstanding group of energetic people who, in my judgment, will and have fit in very well.

CV: **You've kept most of these people on, other than senior management?**

Hostetter: Virtually all of the regional and system-level people have decided to continue their careers with us and are very welcome additions.

CV: **You're the only private company among the top three MSOs, and I wonder if you think that's a factor in your ability to perhaps not concentrate so much on increasing your margins, and allowing you to concentrate more on other things.**

Hostetter: I think it's helped. It's certainly has kept us free of concerns about takeovers or free from certain quarter-to-quarter earnings pressures. And it also allows us to manage our financial affairs in private. We have a company that is almost 50 percent owned by the operating senior management, and that means you get a much closer judgment positioning of the objectives of the owners and the objectives of the managers. They are, in many respects, identical.

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often results in the company avoiding adverse reactions to steps that are not necessarily in their interest, such as raising rates, said Effros. "They're very sensitive to the community and that's a key," he added.

Wells says that many of the Continental managers she deals with at the regional level are "young and conscientious," which makes them good spokesmen for their company.

Yet despite its beneficence, Continental is a business and at times it has shown its teeth. According to Wells, the company exerted some heavy-handed pressure on Springfield, Mass., when the mayor refused to decrease its commitment to a local programming fund that Continental contended was not being used. Once it became clear the mayor would not budge, Continental sent out notices to its subscribers saying their rates would rise, which caused the expected uproar, whereupon the mayor promptly backed down.

ATC also places heavy emphasis on its commitment to customer service and high quality management. For the last five years the company has had in place a system-by-system customer service index and managers are rewarded on that basis. According to Trygve Myhren, chairman and CEO, the systems are rated by an outside research firm on everything from the quality of the picture to their responsiveness to the consumer's latest problem. The first two times the survey was done there was little improvement, he said, but once the management incentive program was instituted, that "really drove" the numbers.

Myhren credits ATC's reputation to the company's commitment to the community and its employees and to its ability to attract top-notch talent. According to Myhren, key to that ability has been ATC's clustering strategy and efforts to decentralize its operations. ATC can attract experienced managers, he said, because its systems are large and because managers are given substantial autonomy.

A year ago Myhren was one of the first operators openly to commit his company to achieving a 70 percent penetration rate, and according to ATC managers, that goal is at the top of their agenda. Hanifen Imhoff analyst Ken Goldman contends that focus is seen as a sign of the company's consumer orientation, as opposed to a focus on margins.

Ed Hatch, research analyst at Merrill Lynch, notes the company has played a leadership role in testing and exploring new technologies such as high-definition television and fiber optics. That activity also has been conducted under the banner of better customer service.

"They are very fine operators," concluded Hatch, referring to the ATC management team. "They really have a vision of cable's future and its role in home entertainment."

As Goldman wrote in a recent report: "In our opinion the quality of management and focus on marketing and customer service separate ATC from other MSOs... We believe ATC leads the industry in the management of cable systems," which will provide the company with "an edge when the industry inevitably settles down from its deal-making mode and gets down to the business of operating systems."

Nevertheless, ATC's oft-touted but rarely consummated interest in acquisitions was credited for its fourth-place showing for financial savvy. Observers noted that the company may have avoided overpaying for systems, but at the same time, it probably has lost good investment opportunities to others.

The company that received the sec-

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good for TCI is good for the industry" is that we have been major investors in starting programming services and encouraging some to stay in existence that would otherwise die, which have all been quite successful in terms of driving penetration. And if the industry has been succeeding very well financially, maybe that has something to do with what we've been doing, and we've been creating new programming, we've been trying to keep some level of competition out there among the programmers. I think if people would look at the availability and price at which they can negotiate programming and then consider what it would be if there was no competition, they might find that what we've been doing in terms of creating and encouraging competition among programmer suppliers is much more beneficial to them than the very small differences that exist in programming cost.

CV: **Fair enough. I understand that you have taken a role in dealing with the program discount issue with (the Community Antenna Television Association).**

Malone: What we tried to do was get the facts out on the table, that the spread in programming costs is not nearly as large as people maintain. We have some statistics which we presented to the CATA board of what we were paying and what we thought the averages in the industry were. It was kind of interesting because when you boil it all down it didn't really make that much difference. We were talking in terms of maybe a quarter a monthly subscriber difference between the biggest guy and the smallest guy in terms of basic programming, and a lot of that was offset by the fact that the smaller operators don't pay nearly the copyright fees that the bigger operators do. What we tried to do was help everybody to understand that a lot of this is an issue not between cable operators but the cable industry overall and the long-term costs and availability of programming. If you look at where the numbers really get big, it happens to be in pay TV programming. In that area we enjoy virtually no price benefit over somebody, say, with 200,000 subscribers. The difference is not between us and all the other MSOs, it's really the MSOs as a class and the very smallest operators. And what I would say in that regard is that there are two or three pay suppliers out there and if these people were more aggressive in terms of being willing to carry one versus the other, they probably could do a much better job of contracting. We should be willing to support programming when it's good and new and innovative and going to increase competition.

'If you look at where the numbers really get big, it happens to be in pay TV programming. In that area we enjoy virtually no price benefit over somebody, say, with 200,000 subscribers.'

CV: **What do you consider the most**

See **Malone**, *page 146*

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Malone, *from page 144*

important issue now for the industry?

Malone: Probably making sure that our success story gets properly told in Congress and not allowing people who sat on the sidelines to suddenly come in and assert a position that really isn't realistic, that isn't true. I think that we've got to do a good job of our political relations, and I think that we've got to make sure that we keep relations with responsible people in the various industries with which we do business. You know we're never going to agree on everything with everybody, but there generally are broad areas of agreement among people, and goodwill toward each other.

CV: **I don't think Jack Valenti has goodwill towards you, John.**

Malone: Oh, I don't know. I think Jack is doing his best to gain some position for his industry, and I don't think there's anything personal in it. I think he's basically very vocal and he's trying to draw attention to what is a major paranoia of his industry group. I think some of their paranoia is misguided, frankly. Most of them are upset because they don't own cable networks as opposed to having access to households for their programming. I don't think they really understand that distinction.

CV: **You're saying that the studios want to own more cable networks.**

Malone: Yes. Studios would really like to own cable networks, not sell programming. They want that extra measure of control. Most of them, for years, while cable was struggling to create programming for itself, they wouldn't sell to us. But now they'd like to come in and say, gee, it's a nice business why don't you let us into it.

CV: **And you're saying, sorry...**

Malone: We should say, well, where were you guys when the numbers all had brackets around them?

CV: **What other issues do you think are important?**

Malone: I think it's very important for the cable industry to use its new-found financial strength and new-found flexibility with a great deal of caution. I think we've got to keep our rates down, we've got to keep our service level good, and we've got to continue to support new and innovative programming ideas to continue to satisfy the consumer's insatiable thirst for variety.

CV: **Thank you very much.**

Financial/Stocks

Time posts 43% increase in quarter; HBO, ATC help

NEW YORK—With a 43 percent increase in the first quarter, Time Inc.'s net income for the three months ended March 31 was $66 million on revenues of $1.07 billion. In the same period a year ago net income was $46 million on revenues of $939 million.

Operating income from the programming segment reached $39 million. Contributing to the gain were continued subscriber growth at Home Box Office. Revenues rose to $310 million from $237 million, with $25 million of the increase stemming from the consolidation of results at HBO Video, which was previously accounted for by the equity method.

Operating profits from American Television & Communications, 82 percent owned by Time, rose 24 percent to $42 million from $34 million. Operating cash flow (operating income before depreciation and amortization) was $78.9 million, a 19 percent increase from $66.3 million for the same period in 1987.

Jones reports record earnings aided by sales

ENGLEWOOD, Colo.—Jones Intercable reported net income for the three and nine month periods ending Feb. 29 of $26,676,000 and $28,438,000, respectively, as compared to $634,000 and $2,440,000 reported for the comparable periods a year ago. The increase in net income was the result of gains from the sale of cable systems and fees and distributions earned upon the liquidation of certain managed limited partnerships. During the third quarter of fiscal 1988 the company sold six systems for a pre-tax gain of $35,191,000.

Operating cash flow totalled $12,750,000 and $22,141,000 as compared to $7,156,000 and $13,344,000 for the three and nine months one year ago, gains of 78 percent and 66 percent,

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ond highest rating for financial savvy was Comcast Corp. Julian Brodsky, vice chairman and chief financial officer, long has been considered one of the best financial minds in the business, and Comcast blazed many new financing trails in its quest for capital in the late '70s and early 1980s.

Now the company is at the forefront of the move by operators into cellular telephones, and this time the impetus for the acquisition of American Cellular Network reportedly came from another senior manager at the company, Bernard Gallagher. The No. 2 ranking for financial savvy should be credited "to the financial team that is Comcast collectively," said one analyst, not to any single individual there. ■

Hostetter, *from page 142*

CV: **What do you see in the future for Continental?**

Hostetter: I hope more of the same. I hope we can continue to justify the vote of confidence that your readers have put in us. We want to continue to be sensitive to the fact that we're in a service business, and focus our energy on delivering a quality service at a fair price.

CV: **Thank you very much.**

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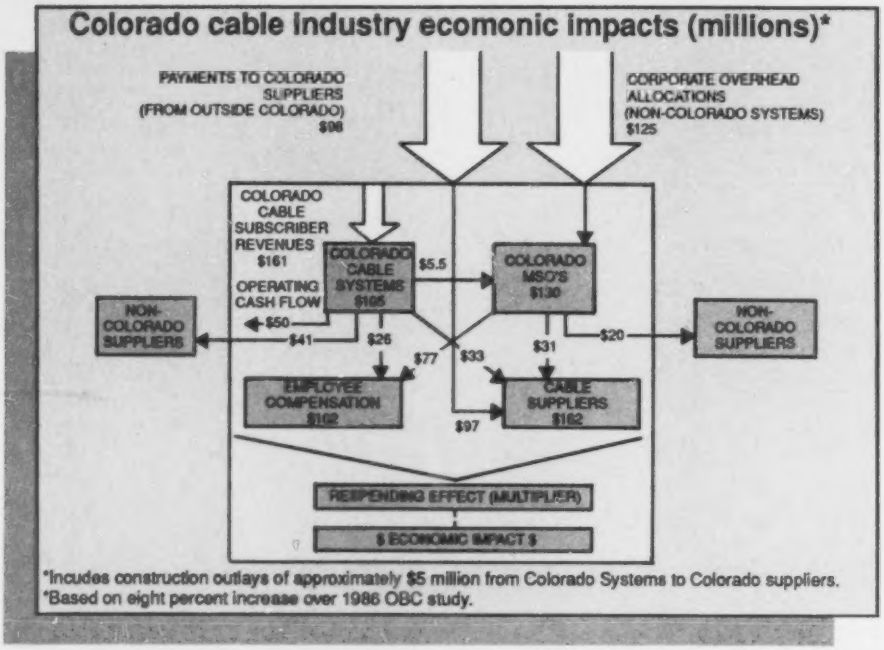

As Denver economy reels, cable keeps the cash coming

By Craig Kuhl

DENVER—On any given day in the Mile High city, you can spot a bumper sticker bearing the plea "Oh, God, please grant me just one more oil boom and I promise not to squander it away this time."

Economically speaking, Denverites would rather talk about fresh powder in the high country, the Broncos, or its $5 billion tourism industry. But the fact remains: Denver's economy, which sadly boasts the second highest office vacancy rate in the nation, is like a boxer staggered by a flurry of cruel punches.

Greased by the oil and gas collapse and the decline of its agricultural base, the city and the state of Colorado have suffered an economic free-fall. They are betting that a more diversified economic base will pull them out of that tail-spin. And one of the industries lending to that diversification has been the cable industry. At least that's what Denver cable executives will tell you.

For some years now, Denver has proclaimed itself the "Cable Capital of America." With seven major MSOs based here, including the first, second and eighth largest in the country serving an aggregate number of subscribers of more than 10 million, its bragging rights seem well founded. But are they really? Does Denver's cable industry have as great an impact on the city and state economies as many people believe?

Does Denver's cable industry have as great an impact on the city and state economies as many people believe?

Bill Daniels, the "father of cable," first set up shop here in 1952, followed by Tele-Communications Inc. in 1965, Jones Intercable in 1967, American Television and Communications in 1968, United Cable in 1977 and Cable-General (later sold to Capital Cities Communications). By 1987 more than 90 percent of Colorado households—nearly 1.1 million homes—were passed by cable, served by these MSOs and other, smaller Denver systems. The state has more than a half-million subscribers.

Today, according to a recent *Denver Post* study, four of the five top Colorado companies are cable television companies, each with a market value of well over $1 billion. They include TCI with its more than 4 million subscribers, ATC with its 3.7 million subscribers, United Cable and Jones Intercable. The largest is US West.

The state's cable industry provides, directly and indirectly, 9,600 jobs generating more than $250 million in annual income, with about 90 percent of that income directly affecting Denver's economy. And through the state's cable systems, more than 1,200 people are employed, along with an additional 1,400 jobs at MSO corporate headquarters. Total compensation for these employees is approximately $98 million annually.

Cable industry suppliers, with revenues of $162 million, provide an additional 1,400 jobs, while cable-oriented suppliers are responsible for $90 million of in-flow from out of state.

These numbers seem impressive but admittedly are hard to quantify, ac-

cording to Jim Trautman, one of the authors of a Browne, Bortz & Coddington study on the economic impact of cable on Colorado.

"Most suppliers also service other businesses, so it's difficult to ascertain what percentage of business is attributable to the cable industry. Those were the toughest numbers to quantify," Trautman said.

Yet the quantifiable numbers are impressive and have grown rapidly at a time when the economy needed a boost. The total system revenues through 1987 of approximately $161 million compares with less than $20 million in 1980. And with each subscriber now paying an average of about $25 per month, those numbers are expected to increase substantially in 1988.

But how do these numbers translate for Denver and the state of Colorado? Economists say each dollar generated by the cable industry and its related suppliers is respent 2.3 times in the local economy before leaving the city. Based on *CableVision's* conservative 8 percent projected increase of BBC's 1986 figures, approximately $130 million in expenditures was generated by Denver MSOs in 1987, with about 85 percent of that total, or more than $111 million, spent in Colorado.

The high compensation levels, particularly at the MSO headquarters, are important to the overall dollars spent in the state. For example, using the 8 percent increase rate over 1986, compensation for systems employees in 1987 averaged $21,000, while at the headquarters level the average was $54,000. In both cases, these numbers represent salaries and other benefits, which lead to a greater amount of disposable income, much of which is spent on goods and services in the local economy.

Tax revenues also are a critical part of cable's flow of dollars into the local economy. According to the BBC study, franchise fees, which range up to five percent of gross revenues, were the principle cable system payment to the government paid directly to the local franchise authority. Approximately $5.3 million was paid to local governments in 1987, while more than $4.2 million was paid in state taxes. Additionally, more than $800,000 was paid by corporate headquarters operations for local taxes.

The influx of dollars into the Denver economy from the cable industry also was boosted by suppliers. Cable operators from the system and corporate levels purchase goods and services from these suppliers, which include construction, manufacturing, transportation, communication, public utilities, wholesale and retail trade, finance insurance, real estate, services and government. These services accounted for approximately $160 million in revenues in 1987.

Some of the 120 businesses supplying the cable industry in Denver include consultants, brokers, video and program production houses, advertising and public relations agencies, wholesale distributors of products and services and several construction companies. An interesting sidelight to those figures is that nearly half of the supplier firms interviewed said that their business relationship with the cable industry was a key factor in their decision to locate or stay in Colorado.

Fred Niehaus, special assistant to the governor on economic development, likes what he sees in cable using local services. "The value of investing in our local economy is understood. We strongly encourage local businesses to

See **Economy**, *page 164*

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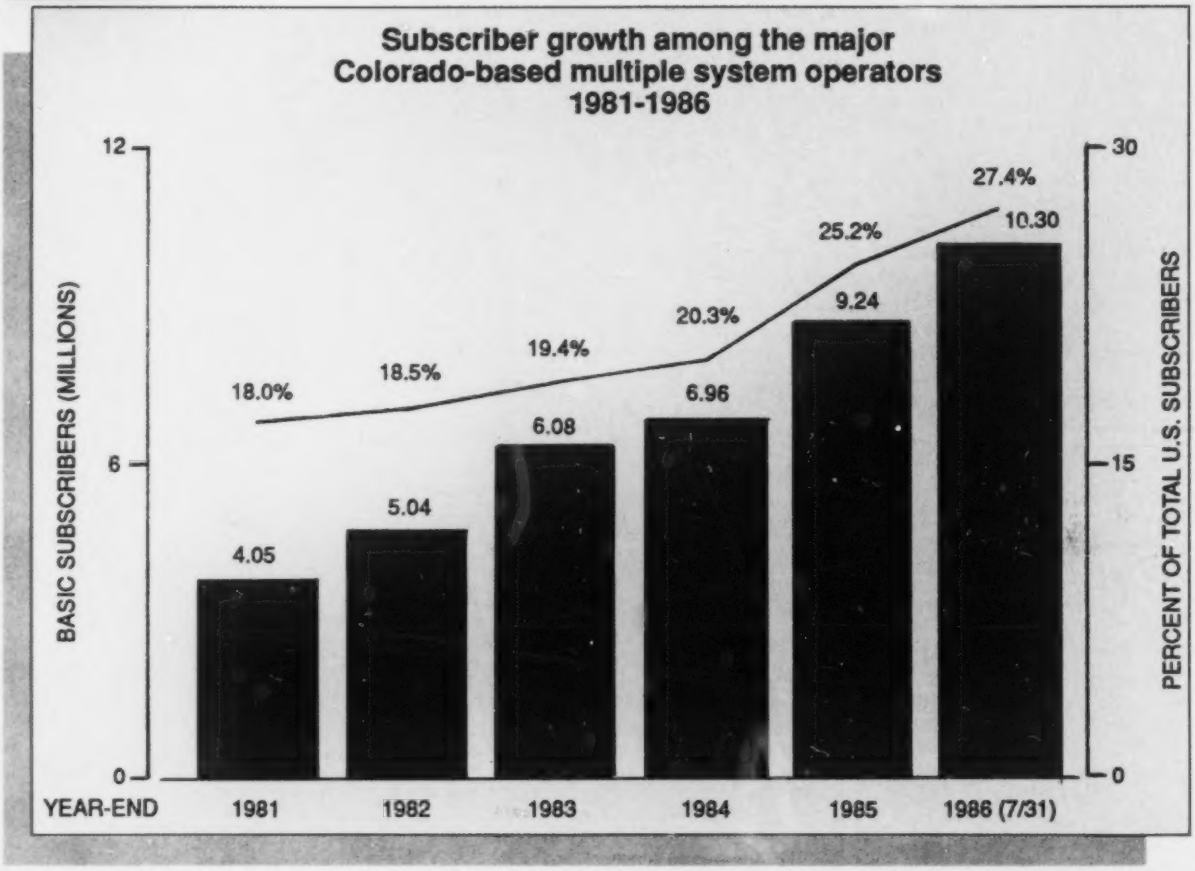

Economy, *from page 163*
reinvest in their local goods and services, because once those dollars leave the city, they're gone forever," says Niehaus. "With Denver being considered the nation's cable capital, it has given us an identifiable entity in which to aggressively pursue new business. We are not a free-standing fiefdom, we need business partners, but we also realize that it must make good business sense to the cable companies to keep their business in Denver."

What many Denver officials complain about is the purchasing of goods and services outside the state of Colorado, and not just by the cable industry but by all Colorado businesses, because the state never sees the money at all. This may be sour grapes to an already beleaguered economy, but Niehaus disagrees. "It just makes good economic sense to support your local economy since it generates jobs, tax base and revenues for a cross-section of retailers and wholesalers." Having seven of the country's largest MSOs in Denver with total 1987 revenues surpassing $3 billion, and the total number of subscribers more than doubling in the past five years, one can't blame Niehaus for wanting that money to stay local.

Jeff Figg, CEO of the Jones Group, part of Jones Intercable, agrees. "We live here, pay taxes here and do business here, so it makes sense for us to reinvest here by creating jobs, purchasing goods and services and investing culturally. There's great synergy in that." Figg also pointed out that geographically, Denver sits midway between Europe and the Pacific Rim countries and because of that advantageous location "we can attract new business from both the Europeans and Asians and communicate to both without the fear of a 'satellite skip.'"

> 'With Denver being considered the nation's cable capital, it has given us an identifiable entity in which to aggressively pursue new business.'
>
> —Fred Niehaus, Special Asst. to the Gov. on Economic Development

The future of cable in Denver probably is rosey. According to the BBC study, the number of direct industry jobs has nearly tripled since 1980, from 1,000 to nearly 3,000. Assuming similar growth for industry suppliers and a constant respending multiplier of 2.3, industry related employment increased by more than 5,500 in the same period. The study goes on to suggest that the cable industry was responsible for more than 3 percent of all new jobs created in the Colorado economy in the past seven years. And with the overall growth of the cable industry nationwide on the rise, these growth patterns are expected to continue.

The numbers do add up for Denver and Colorado—$250 million of disposable personal income with a respending factor of 2.3, $10 million in taxes paid to local government annually, $161 million in systems revenues and $161 million spent on goods and services. ■

Satellite Lineup

Satcom III-R (GE Americom)	**Transponder**
Arts & Entertainment	.24
BET	.20
Cable Radio Network	.4
Cinemax (West)	.23
ESPN (Blackout)	.7
The Fashion Channel	.1
Financial News Network	.4
Genesis Storytime	.3
HBO (West)	.13
Home Shopping Network	.22
The Learning Channel	.2
Lifetime	.17
National Jewish Television	.18
QVC Network	.8
Reuter Monitor Service	.18
Shop Television Network	.5
Tempo Sound	.6
Tempo Television	.6
Tempo Text	.6
The Travel Channel	.16
Trinity Broadcasting Network	.3
TV Decisions	.24
USA Network (West)	.10

Satcom IV (GE Americom)	**Transponder**
Alternate View Network	.10
American Movie Classics	.10
America's Value Network	.5
Biznet	.6
Bravo	.2
Gospel Music Network	.3
Hit Video USA	.18
Home Shopping Network 2	.1
Home Sports Entertainment	.11
Home Team Sports	.22
Liberty Broadcasting Network	.7
Madison Square Garden Network	.6
The Motivation Network	.3
Movietime	.17
National Black Network	.19
New England Sports Network	.13
Nickelodeon (West)	.4
Nostalgia Channel	.21
The Playboy Channel	.24
Playboy On Demand	.24
Prime Ticket	.20
The Silent Network	.23V
SportsChannel-New England	.23
SportsVision	.9
WPIX—New York	.19

Satcom F2 (GE Americom)	**Transponder**
WCBS	.2
WABC	.4
WNBC	.12

Satcom F4 (GE Americom)	**Transponder**
KTVT (Dallas/Ft.Worth)	.3

Westar III (Western Union)	**Transponder**
CNN	.5

Westar IV (Western Union)	**Transponder**
Atlantic City Horse Racing	.6
Cable News Network (CNN)	.16
Catholic Telecommunications Network of America	.11
Consumer Discount Network	.24
National Christian Network	.2
International Television Network	.10D
Public Broadcasting Service	.15, 17, 21, 23
Texas State Network	.2

Westar V (Western Union)	**Transponder**
Moody Broadcasting Network	.7D
Pro-Am Sports System (PASS)	.8
The University Network	.2
Zephyr Weather Information Service	.7D

Telstar 303 (AT&T)	**Transponder**
American Exxtasy	.19

Galaxy I (Hughes)	**Transponder**
CBN Cable Network	.11
Cinemax (East)	.19
CNN	.7
Country Music Television	.13
The Discovery Channel	.22
The Disney Channel (East)	.4
(West)	.24
Electra	.18
EPG	.3
ESPN	.9
GalaVision	.20
HBO (East)	.23
Headline News	.8
The Inspirational Network	.17
The Movie Channel (East)	.10
(West)	.14
The Nashville Network	.2
Request Television	.12
Seeburg Adult Contemporary	.3
Seeburg Contemporary Instrumental	.3
Showtime (East)	.5
Showtime (West)	.16
SIN	.6
Tempo Text	.18
USA Network (East, Central)	.21
Video Mall Network	.22
WGN	.3
WOR-TV	.15
WTBS	.18

Galaxy III	**Transponder**
Cable Value Network	.9
Cable Video Store	.5
C-SPAN	.24V
C-SPAN II	.14V
Eternal Word Television Network	.10
Galactic Radio	.11
Home Premiere Television	.16
Lifetime	.20
The Meadowlands Racing Network	.17
Mind Extension University	.11
MTV Music Television	.17
Nick At Night	.19
Nickelodeon	.19
Video Hits One (VH1)	.15
Viewer's Choice 1+2	.21,18
The Weather Channel	.13

Spacenet I (GTE)	**Transponder**
ACTS	.15

Spacenet II (GTE)	**Transponder**
Select TV	.13
Zap! Movies	.9

Note: A company name in parentheses following a service or network designates the transponder owner. Source: International Thomson Communications Inc.

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	5,200,000	(12/87)
2.	American Television and Communications Corp.	3,695,000	(12/87)
3.	Continental Cablevision	2,169,000	(2/88)
4.	Storer Cable Communications	1,480,000	(3/88)
5.	Cox Cable Communications	1,441,849	(3/88)
6.	Warner Cable Communications Inc.	1,405,349	(12/87)
7.	Comcast	1,342,500	(1/88)
8.	United Cable	1,179,336	(2/88)
9.	Newhouse Broadcasting	1,060,759	(12/87)
10.	Viacom Cablevision	1,058,436	(2/88)
11.	Cablevision Systems Corp.	1,042,508	(3/88)
12.	Heritage Communications Inc.	1,040,384	(2/88)
13.	Jones Intercable	1,012,602	(4/88)
14.	Times Mirror Cable Television Inc.	918,480	(12/87)
15.	Sammons Communications Inc.	827,652	(2/88)
16.	UA Cablesystems Corp.	803,615	(2/88)
17.	Century Communications Corp.	715,000	(4/88)
18.	Paragon Communications	665,000	(1/88)
19.	Cooke Cablevision	618,042	(3/88)
20.	Adelphia Communications	594,315	(3/88)
21.	Cablevision Industries	593,333	(2/88)
22.	Telecable Corp.	533,196	(3/88)
23.	Rogers Cablesystems Inc.	529,708	(12/87)
24.	Centel Cable	524,859	(1/88)
25.	Daniels & Associates	521,713	(3/88)
26.	Scripps-Howard	430,990	(12/87)
27.	Wometco Cable TV Inc.	395,679	(12/87)
28.	Post-Newsweek	385,442	(1/88)
29.	Prime Cable Corp.	381,938	(3/88)
30.	M.L. Media Partners	381,398	(3/88)
31.	Falcon Cable TV	343,000	(2/88)
32.	TCA Group	337,999	(1/88)
33.	Maclean Hunter Cable TV Ltd.	309,318	(2/88)
34.	Multimedia Cablevision	304,610	(1/88)
35.	Tele-Media	291,227	(1/88)
36.	Lenfest Group	266,370	(1/88)
37.	Rifkin & Associates	260,000	(10/87)
38.	Colony Communications Inc.	250,786	(1/88)
39.	Western Communications	250,019	(3/88)
40.	TKR Cable Co.	236,042	(1/88)
41.	Simmons Communications	226,861	(2/88)
42.	Star Cablevision Group	224,471	(3/88)
43.	Cencom Cable	220,509	(3/88)
44.	Communications Service Inc.	210,000	(12/86)
45.	Service Electric Cable TV Inc.	205,000	(11/87)
46.	Hauser Communications Inc.	196,000	(2/88)
47.	Taft Cablepartners	194,463	(1/88)
48.	Greater Media	163,924	(4/88)
49.	Media General Inc.	163,000	(2/88)
50.	Harron Communications	158,982	(1/88)
51.	Sutton Capital Corp.	152,063	(11/87)
52.	Palmer Communications	151,400	(3/88)
53.	Armstrong Utilities	143,807	(2/88)
54.	U.S. Cable Corp.	142,126	(3/88)
55.	Summit Communications	124,900	(1/88)
56.	Cable Systems USA	123,926	(12/87)
57.	Columbia International	117,911	(1/88)
58.	Brenman Communications Co.	115,018	(3/88)
59.	King Videocable	114,100	(1/88)
60.	Northland Communications	114,025	(12/87)
61.	Harte-Hanks Communications	113,344	(12/87)
62.	Senic Communications	111,586	(9/87)
63.	Booth Communications	108,617	(1/88)
64.	Susquehanna Broadcasting	94,168	(12/87)
65.	Midcontinent Cable Systems Co.	90,383	(3/88)
66.	McDonald Group	90,079	(8/84)
67.	Omega Communications	90,000	(11/87)
68.	WEHCO Video	89,078	(12/87)
69.	United Video Management	86,341	(12/87)
70.	Pencor Services	85,284	(1/88)
71.	Coaxial Communications	84,859	(9/87)
72.	Selkirk Communications	72,800	(4/88)
73.	Enstar Communications	69,806	(3/88)
74.	Masada Corp.	69,120	(10/87)
75.	Rock Associates	67,215	(1/88)
76.	Chambers Communications Corp.	61,471	(12/87)
77.	Mountain Cable Co.	59,746	(1/88)
78.	Insight Communications	58,964	(1/88)
79.	Cardinal Communications	56,500	(1/88)
80.	North American Comm. Corp.	54,606	(12/87)
81.	Hearst Communications of California	53,866	(1/88)
82.	State Cable TV	51,939	(3/88)
83.	C-TEC Cable Systems	51,365	(4/88)
84.	Douglas Communications	50,741	(3/88)
85.	Dowden Communications	50,234	(3/88)
86.	Helicon Corp.	50,000	(3/88)
87.	Bachow and Elkin Communications	48,489	(2/88)
88.	Galaxy Cablevision	48,300	(3/88)
89.	Telesat Cablevision, Inc.	46,930	(3/88)
90.	Joseph Gans Cable TV	46,533	(11/86)
91.	Prestige Cable TV, Inc.	46,336	(2/88)
92.	New England Cablevision	45,947	(1/88)
93.	Donrey Media Group	45,869	(4/88)
94.	CableAmerica	44,000	(1/88)
95.	Leonard Communications	44,000	(2/88)
96.	CableSouth, Inc.	40,600	(2/88)
97.	Acton Corp.	38,500	(10/87)
98.	Countryside Cable	35,000	(2/88)
99.	ParCable	33,379	(4/88)
100.	Harmon Cable Communications	29,202	(3/88)

Subscriber counts are provided by MSOs and systems to *CableVision*. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to *CableVision*, Attention: Candace Drake, Cable Stats, 432 Park Ave. South, Ste. 1109, New York, NY 10016.

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Woodbury (Long Island), NY	Cablevision Systems Corp.	296,152	(3/88)
2.	San Diego, CA	Cox Cable	284,343	(3/88)
3.	Manhattan, NY	ATC	242,000	(12/87)
4.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
5.	Puget Sound, WA	Viacom	199,800	(3/88)
6.	East Orange, NJ	Maclean Hunter	198,412	(2/88)
7.	Portland, OR	Rogers	187,442	(2/88)
8.	Honolulu, HI	ATC	187,000	(12/87)
9.	Houston, TX	Warner Cable	185,700	(3/88)
10.	Phoenix, AZ	Times Mirror	184,921	(12/87)
11.	Hartford/Plainville/Vernon, CT	United Cable	170,955	(2/88)
12.	Chicago (suburbs)	Tele-Communications Inc.	163,000	(12/87)
13.	Wayne, NJ	UA Cablesystems	162,270	(2/88)
14.	Louisville/Jeff. Co., KY	Storer Communications	161,830	(3/88)
15.	Hampton Roads, VA	Cox Cable	158,003	(3/88)
16.	Cincinnati, OH	Warner	157,332	(12/87)
17.	Englewood, CO	United	156,911	(2/88)
18.	Rochester, NY	ATC	154,000	(12/87)
19.	Atlanta, GA	Prime Cable Corp.	153,557	(3/88)
20.	Fairfax, VA	Media General	152,000	(2/88)
21.	Jacksonville, FL	Continental Cablevision	152,000	(2/88)
22.	Tulsa, OK	United	151,239	(2/88)
23.	Cherry Hills, NJ	NYT	145,075	(7/87)
24.	Connecticut Complex	Cablevision Co.ATC	143,862	(3/88)
25.	Orlando,FL	ATC	143,500	(5/87)
26.	Kansas City, MO	ATC	137,000	(12/87)
27.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
28.	Manhattan, NY	Paragon Cable	132,000	(1/88)
29.	San Jose/Campbell, CA	Gill Cable	131,600	(1/88)
30.	Baltimore County, MD	Comcast	130,000	(10/87)
31.	Memphis/W. Memphis, TN	ATC	126,000	(12/87)
32.	St. Louis Co., MO	Cencom Cable	125,361	(3/88)
33.	Charlotte, NC	ATC	125,000	(12/87)
34.	Long Island, NY	Viacom	120,700	(3/88)
35.	San Francisco, CA	Viacom	119,300	(3/88)
36.	San Diego, CA	ATC	119,000	(12/87)
37.	Austin, TX	ATC	115,000	(12/87)
38.	Pompano, FL	Continental	112,567	(12/87)
39.	Seattle, WA	TCI	112,500	(12/87)
40.	Warren, NJ	TKR	109,854	(2/88)
41.	Richmond, VA	Continental	109,000	(2/88)
42.	Toledo, OH	Blade Communications	105,470	(10/87)
43.	San Juan, PR	ML Media Partners	104,757	(12/86)
44.	Jefferson Parish/Kenner, LA	Cox Cable	101,919	(3/88)
45.	Wilmington, DE	Heritage	100,972	(2/88)
46.	Dallas, TX	Heritage	100,910	(2/88)
47.	Grand Rapids, MI	UA Cablesystems	100,728	(2/88)
48.	Southeast Michigan	Comcast	100,031	(10/87)
49.	Dade/Broward, FL	Storer	95,821	(3/88)
50.	Escondido, CA	Times Mirror	95,374	(12/87)
51.	Raleigh/Durham, N.C.	ATC	95,000	(12/87)
52.	Tacoma, WA	Viacom	94,200	(3/88)
53.	Pinellas County, FL	Vision Cable	93,920	(9/87)
54.	Indianapolis, IN	Comcast	92,000	(10/87)
55.	Pittsburgh, PA	TCI	91,000	(12/87)
56.	Boston, MA	Cablevision Co.	90,565	(3/88)
57.	Naples, FL	Palmer Communications	90,470	(3/88)
58.	Nashville, TN	Viacom	88,400	(3/88)
59.	Worcester Complex, MA	Greater Media	88,349	(4/88)
60.	Wichita, KS	Multimedia Cablevision	86,929	(12/87)
61.	Las Vegas, NV	Prime Cable	85,344	(3/88)
62.	Greensboro, NC	ATC	84,000	(12/87)
63.	Orange County, CA	Times Mirror	83,804	(12/87)
64.	Harrisburg, PA	Sammons Communications	82,179	(2/88)
65.	New Orleans, LA	Cox Cable	80,348	(3/88)
66.	Dover, Morristown, NJ	Sammons	80,209	(2/88)
67.	Milwaukee, WI	Warner	80,000	(9/87)
68.	South Bend, IN	Heritage	79,789	(2/88)
69.	Baton Rouge, LA	Daniels & Assocs.	79,486	(3/88)
70.	Oakland County, MI	United	78,559	(2/88)
71.	Cook County, IL	Continental	77,800	(2/88)
72.	Albuquerque, NM	Jones Intercable	77,300	(2/88)
73.	Akron, OH	Warner	77,202	(12/87)
74.	Indianapolis,IN	ATC	77,000	(12/87)
75.	Columbus, OH	Warner	75,774	(12/87)
76.	South Texas, TX	Heritage	75,410	(2/88)
77.	Cleveland Heights, OH	Viacom	75,200	(3/88)
78.	Allentown, PA	Service Electric	75,000	(9/87)
79.	Flint, MI	Comcast	75,000	(10/87)
80.	Hillsborough, FL	Paragon	75,000	(1/88)
81.	St. Petersburg, FL	Paragon	75,000	(1/88)
82.	Melbourne/Cocoa, FL	ATC	74,300	(6/87)
83.	Medford Complex (Boston Suburbs), MA	Warner	74,043	(12/87)
84.	Providence/Warwick, RI	Times Mirror	73,415	(12/87)
85.	Omaha, NE	Cox Cable	73,361	(3/88)
86.	Ocean County, NJ	Adelphia	72,355	(3/88)
87.	Contra Costa Co. CA	Televents	72,252	(10/87)
88.	Fayetteville, NC	ATC	72,000	(12/87)
89.	Tucson, AZ	Cooke Cablevision	71,234	(3/88)
90.	El Paso, TX	Paragon	71,000	(1/88)
91.	Little Rock, AR	Storer	71,000	(3/88)
92.	Oklahoma City, OK	Cox Cable	70,371	(3/88)
93.	Des Moines, IA	Heritage	70,206	(2/88)
94.	Lincoln, RI	Heritage	69,977	(2/88)
95.	Santa Monica, CA	Century	69,900	(12/86)
96.	Madison, WI	TCI	68,000	(12/87)
97.	New Haven, CT	Storer	67,584	(3/88)
98.	Birmingham, AL	ATC	67,000	(12/87)
99.	Syracuse (suburbs), NY	NewChannels Corp.	66,962	(12/87)
100.	Winston-Salem, N.C.	Summit Communications	66,245	(1/88)